

The Shindler Perspective, Inc.

July 29, 2004

Mr. John Mayberry
Medialinx Communications Corporation
1260 Garfield Avenue
San Marino, CA 91108

Dear John:

I am pleased to present several schedules related to the Medialinx Education business opportunity for the State of California. These schedules include:

- Medialinx Education Potential Revenue Per Class
- Revenue at Various Levels Of Potential Market Penetration – California
- Revenue at Various Levels Of Potential Market Penetration – United States
- Revenue at Various Levels Of Potential Market Penetration – International
- Assumptions to Financial Projections

The California, United States and International schedules have been prepared at various levels of penetration to indicate what the total revenue *might* be based on the many variables that are listed in the schedules. These variables include the number of students, the number of class hours per week and per semester and rate per thousand impressions that might be paid by the advertising community. The analyses further assume that the start-up phase has been completed and that Medialinx is moving toward critical mass.

The schedules present the revenue that *might* be derived based on the number of courses per semester in which each student enrolls as well as sponsorship revenue. It must be understood that these schedules are intended to illustrate a *range* of potential revenues, but that they are in no way intended to predict actual revenues.

It is important to note that these projections are for illustrative purposes only and that the actual results may vary considerably based on a number of factors that may be in place at the date Medialinx receives its initial funding. It is also important to note that as stated in the Assumptions to the Financial Projections that these are not pro forma financial statements.

Should you have any questions regarding these schedules, please do not hesitate to contact me.

For The Shindler Perspective, Inc.

Sincerely,



Marty Shindler
Chief Executive Officer

Attachments

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Medialinx Education Potential Revenue Per Class

Class Credits Hours/Week/Student	Weeks	Total Class Hours	Value of Each Impression	Revenue/Student/ Impression Per Class
3	16	48	\$.01	\$.48
4	16	64	\$.01	\$.64

An impression is defined as a 30 – 60 second commercial at the beginning and end of each class, along with a corporate logo in the corner of the monitor during the class presentation and is valued at \$10 per thousand. Initially the goal is to have 2 commercials at the beginning and 2 commercials at the end of each hour of class time. Over time, the goal is to increase to 4 commercials at the beginning and 4 commercials end of each class, or 8 impressions per class.

For a 3 credit, 3 hour per week class, the following represents potential revenue:

# of Students	Revenue/Student/ Impression/ Class	Revenue/ Impression/ Class	@ 8 Impressions/ Class
25,000	\$0.48	\$12,000	\$96,000
10,000	\$0.48	\$4,800	\$38,400
5,000	\$0.48	\$2,400	\$19,200
3,000	\$0.48	\$1,440	\$11,520
1,250	\$0.48	\$600	\$4,800
750	\$0.48	\$360	\$2,880
300	\$0.48	\$144	\$1,152
100	\$0.48	\$48	\$384

For a 4 credit, 4 hour per week class, the following represents potential revenue:

# of Students	Revenue/Student Class	Revenue/ Impression/ Class	@ 8 Impressions/ Class
25,000	\$0.64	\$16,000	\$128,000
10,000	\$0.64	\$6,400	\$51,200
5,000	\$0.64	\$3,200	\$25,600
3,000	\$0.64	\$1,920	\$15,360
1,250	\$0.64	\$800	\$6,400
750	\$0.64	\$480	\$3,840
300	\$0.64	\$192	\$1,536
100	\$0.64	\$64	\$512

The accompanying assumptions are an integral part of the revenue projections

**Medialinx California
Revenue at Various Levels
Of
Potential Market Penetration
California**

	<u>Base</u>	<u>50%</u>	<u>40%</u>	<u>30%</u>	<u>20%</u>	<u>10%</u>	<u>5%</u>	<u>2%</u>	<u>1%</u>
Total potential market each year - 18 years old	339,300	169,650	135,720	101,790	67,860	33,930	16,965	6,786	3,393
Remainder of college age population		508,950	407,160	305,370	203,580	101,790	50,895	20,358	10,179
Others from the workforce		<u>1,187,550</u>	<u>950,040</u>	<u>712,530</u>	<u>475,020</u>	<u>237,510</u>	<u>118,755</u>	<u>47,502</u>	<u>23,751</u>
Annual potential candidates		1,866,150	1,492,920	1,119,690	746,460	373,230	186,615	74,646	37,323
Class hours per week		3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Weeks per semester		<u>16</u>	<u>16</u>	<u>16</u>	<u>16</u>	<u>16</u>	<u>16</u>	<u>16</u>	<u>16</u>
Number of class hours per semester		104,504,400	83,603,520	62,702,640	41,801,760	20,900,880	10,450,440	4,180,176	2,090,088
Number of commercials per classroom hour		8	8	8	8	8	8	8	8
Total impressions created - 1 class per student		<u>836,035,200</u>	<u>668,828,160</u>	<u>501,621,120</u>	<u>334,414,080</u>	<u>167,207,040</u>	<u>83,603,520</u>	<u>33,441,408</u>	<u>16,720,704</u>
Value of impressions at \$10 per thousand - 1 class		<u>\$8,360,352</u>	<u>\$6,688,282</u>	<u>\$5,016,211</u>	<u>\$3,344,141</u>	<u>\$1,672,070</u>	<u>\$836,035</u>	<u>\$334,414</u>	<u>\$167,207</u>
Value of impressions for 2 classes for 1 semester		<u>\$16,720,704</u>	<u>\$13,376,564</u>	<u>\$10,032,422</u>	<u>\$6,688,282</u>	<u>\$3,344,140</u>	<u>\$1,672,070</u>	<u>\$668,828</u>	<u>\$334,414</u>
Value of impressions - 1 class for 2 semesters		<u>\$16,720,704</u>	<u>\$13,376,564</u>	<u>\$10,032,422</u>	<u>\$6,688,282</u>	<u>\$3,344,140</u>	<u>\$1,672,070</u>	<u>\$668,828</u>	<u>\$334,414</u>
Value of impressions - 2 classes for 2 semesters		<u>\$33,441,408</u>	<u>\$26,753,128</u>	<u>\$20,064,844</u>	<u>\$13,376,564</u>	<u>\$6,688,280</u>	<u>\$3,344,140</u>	<u>\$1,337,656</u>	<u>\$668,828</u>
Value of impressions - 1 class for 3 semesters		<u>\$25,081,056</u>	<u>\$20,064,846</u>	<u>\$15,048,633</u>	<u>\$10,032,423</u>	<u>\$5,016,210</u>	<u>\$2,508,105</u>	<u>\$1,003,242</u>	<u>\$501,621</u>
Value of impressions - 2 classes for 3 semesters		<u>\$50,162,112</u>	<u>\$40,129,692</u>	<u>\$30,097,266</u>	<u>\$20,064,846</u>	<u>\$10,032,420</u>	<u>\$5,016,210</u>	<u>\$2,006,484</u>	<u>\$1,003,242</u>
Value of impressions - 4 classes/semester college age, 1 for others		<u>\$17,480,736</u>	<u>\$13,984,589</u>	<u>\$10,488,442</u>	<u>\$6,992,294</u>	<u>\$3,496,147</u>	<u>\$1,748,074</u>	<u>\$699,229</u>	<u>\$349,615</u>
Value of impressions - 4 classes/semester college age, 2 for others		<u>\$22,800,960</u>	<u>\$18,240,768</u>	<u>\$13,680,576</u>	<u>\$9,120,384</u>	<u>\$4,560,192</u>	<u>\$2,280,096</u>	<u>\$912,038</u>	<u>\$456,019</u>
Sponsorships 200 courses, 3 semesters @ \$50K each		<u>\$30,000,000</u>	<u>\$30,000,000</u>	<u>\$30,000,000</u>	<u>\$30,000,000</u>	<u>\$30,000,000</u>	<u>\$30,000,000</u>	<u>\$30,000,000</u>	<u>\$30,000,000</u>

The accompanying assumptions are an integral part of the revenue projections

Medialinx
Revenue at Various Levels
Of
Potential Market Penetration
United States

	<u>Base</u>	<u>50%</u>	<u>40%</u>	<u>30%</u>	<u>20%</u>	<u>10%</u>	<u>5%</u>	<u>2%</u>	<u>1%</u>
Total potential market each year - 18 years old	1,812,473	906,237	724,989	543,742	362,495	181,247	90,624	36,249	18,125
Remainder of college age population		2,718,711	2,174,967	1,631,226	1,087,485	543,741	271,872	108,747	54,375
Others from the workforce		<u>6,343,659</u>	<u>5,074,923</u>	<u>3,806,194</u>	<u>2,537,465</u>	<u>1,268,729</u>	<u>634,368</u>	<u>253,743</u>	<u>126,875</u>
Annual potential candidates		9,968,607	7,974,879	5,981,162	3,987,445	1,993,717	996,864	398,739	199,375
Class hours per week		3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Weeks per semester		<u>16</u>	<u>16</u>	<u>16</u>	<u>16</u>	<u>16</u>	<u>16</u>	<u>16</u>	<u>16</u>
Number of class hours per semester		558,241,992	446,593,224	334,945,072	223,296,920	111,648,152	55,824,384	22,329,384	11,165,000
Number of commercials per classroom hour		8	8	8	8	8	8	8	8
Total impressions created - 1 class per student		<u>4,465,935,936</u>	<u>3,572,745,792</u>	<u>2,679,560,576</u>	<u>1,786,375,360</u>	<u>893,185,216</u>	<u>446,595,072</u>	<u>178,635,072</u>	<u>89,320,000</u>
Value of impressions at \$10 per thousand - 1 class		<u>\$44,659,359</u>	<u>\$35,727,458</u>	<u>\$26,795,606</u>	<u>\$17,863,754</u>	<u>\$8,931,852</u>	<u>\$4,465,951</u>	<u>\$1,786,351</u>	<u>\$893,200</u>
Value of impressions for 2 classes for 1 semester		<u>\$89,318,718</u>	<u>\$71,454,916</u>	<u>\$53,591,212</u>	<u>\$35,727,508</u>	<u>\$17,863,704</u>	<u>\$8,931,902</u>	<u>\$3,572,702</u>	<u>\$1,786,400</u>
Value of impressions - 1 class for 2 semesters		<u>\$89,318,718</u>	<u>\$71,454,916</u>	<u>\$53,591,212</u>	<u>\$35,727,508</u>	<u>\$17,863,704</u>	<u>\$8,931,902</u>	<u>\$3,572,702</u>	<u>\$1,786,400</u>
Value of impressions - 2 classes for 2 semesters		<u>\$178,637,436</u>	<u>\$142,909,832</u>	<u>\$107,182,424</u>	<u>\$71,455,016</u>	<u>\$35,727,408</u>	<u>\$17,863,804</u>	<u>\$7,145,404</u>	<u>\$3,572,800</u>
Value of impressions - 1 class for 3 semesters		<u>\$133,978,077</u>	<u>\$107,182,374</u>	<u>\$80,386,818</u>	<u>\$53,591,262</u>	<u>\$26,795,556</u>	<u>\$13,397,853</u>	<u>\$5,359,053</u>	<u>\$2,679,600</u>
Value of impressions - 2 classes for 3 semesters		<u>\$267,956,154</u>	<u>\$214,364,748</u>	<u>\$160,773,636</u>	<u>\$107,182,524</u>	<u>\$53,591,112</u>	<u>\$26,795,706</u>	<u>\$10,718,106</u>	<u>\$5,359,200</u>
Value of impressions - 4 classes/semester college age, 1 for others		<u>\$93,378,660</u>	<u>\$74,702,867</u>	<u>\$56,027,176</u>	<u>\$37,351,485</u>	<u>\$18,675,691</u>	<u>\$9,337,897</u>	<u>\$3,735,097</u>	<u>\$1,867,600</u>
Value of impressions - 4 classes/semester college age, 2 for others		<u>\$121,798,253</u>	<u>\$97,438,522</u>	<u>\$73,078,925</u>	<u>\$48,719,328</u>	<u>\$24,359,597</u>	<u>\$12,179,866</u>	<u>\$4,871,866</u>	<u>\$2,436,000</u>
Sponsorships 200 courses, 3 semesters @ \$75K		<u>\$45,000,000</u>	<u>\$45,000,000</u>	<u>\$45,000,000</u>	<u>\$45,000,000</u>	<u>\$45,000,000</u>	<u>\$45,000,000</u>	<u>\$45,000,000</u>	<u>\$45,000,000</u>

The accompanying assumptions are an integral part of the revenue projections

Medialinx
Revenue at Various Levels
Of
Potential Market Penetration
International

	<u>Base</u>	<u>2%</u>	<u>1.50%</u>	<u>1%</u>	<u>0.75%</u>	<u>0.50%</u>	<u>0.25%</u>
Total potential market each year - 18 - 44 years	2,310,000,000	46,200,000	34,650,000	23,100,000	17,325,000	11,550,000	5,775,000
Class hours per week		3.5	3.5	3.5	3.5	3.5	3.5
Weeks per semester		<u>16</u>	<u>16</u>	<u>16</u>	<u>16</u>	<u>16</u>	<u>16</u>
Number of class hours per semester		2,587,200,00	1,940,400,00	1,293,600,00	970,200,000	646,800,000	323,400,000
Number of commercials per classroom hour		8	8	8	8	8	8
Total impressions created - 1 class per student		<u>20,697,600,000</u>	<u>15,523,200,000</u>	<u>10,348,800,000</u>	<u>7,761,600,000</u>	<u>5,174,400,000</u>	<u>2,587,200,000</u>
Value of impressions at \$10 per thousand - 1 class		<u>\$206,976,000</u>	<u>\$155,232,000</u>	<u>\$103,488,000</u>	<u>\$77,616,000</u>	<u>\$51,744,000</u>	<u>\$25,872,000</u>
Value of impressions for 2 classes for 1 semester		<u>\$413,952,000</u>	<u>\$310,464,000</u>	<u>\$206,976,000</u>	<u>\$155,232,000</u>	<u>\$103,488,000</u>	<u>\$51,744,000</u>
Value of impressions - 1 class for 2 semesters		<u>\$413,952,000</u>	<u>\$310,464,000</u>	<u>\$206,976,000</u>	<u>\$155,232,000</u>	<u>\$103,488,000</u>	<u>\$51,744,000</u>
Value of impressions - 2 classes for 2 semesters		<u>\$827,904,000</u>	<u>\$620,928,000</u>	<u>\$413,952,000</u>	<u>\$310,464,000</u>	<u>\$206,976,000</u>	<u>\$103,488,000</u>
Value of impressions - 1 class for 3 semesters		<u>\$620,928,000</u>	<u>\$465,696,000</u>	<u>\$310,464,000</u>	<u>\$232,848,000</u>	<u>\$155,232,000</u>	<u>\$77,616,000</u>
Value of impressions - 2 classes for 3 semesters		<u>\$1,241,856,000</u>	<u>\$931,392,000</u>	<u>\$620,928,000</u>	<u>\$465,696,000</u>	<u>\$310,464,000</u>	<u>\$155,232,000</u>
Sponsorships 200 courses, 3 semesters @ \$100K each		<u>\$60,000,000</u>	<u>\$60,000,000</u>	<u>\$60,000,000</u>	<u>\$60,000,000</u>	<u>\$60,000,000</u>	<u>\$60,000,000</u>

The accompanying assumptions are an integral part of the revenue projections

Medialinx California

Assumptions to Financial Projections

The following assumptions are an integral part of the financial projections created to assess the range of potential for the Medialinx concept in the State of California.

There are four schedules that have been prepared to illustrate the potential range of revenue for the proposed educational concept. It is important to note that these schedules are for illustration purposes only and actual results, once Medialinx is financed and operational, may vary.

The schedules include:

- Medialinx Education Potential Revenue per Class
- Revenue at Various Levels Of Potential Market Penetration – California
- Revenue at Various Levels Of Potential Market Penetration – United States
- Revenue at Various Levels Of Potential Market Penetration – International

The following assumptions pertain to all of the schedules with the exception of the Medialinx Education Revenue per Class.

Potential markets

1. The number of potential candidates for California is based on data researched and provided by Medialinx. It is based on the number of California high school graduates less those that attend some college and those that graduate from college.
2. The national population base is calculated by obtaining the number of 15 – 19 year olds from the census bureau and dividing it by 5 to estimate the number of people in each of the 5 years. The resulting value is multiplied by 71%, the national average of high school graduates, and that result is multiplied by 74%, the number that do not obtain a college degree. The 74% was derived based on the national average of 26% of the population that obtain a college degree. The end result for the US was further reduced by 339,300, the base number of potential candidates for Medialinx in California, so that California would not be double counted.
3. The international potential market derived from the 2.31 billion in the 18 – 44 years of age range is based on research provided by Medialinx. Due to the complexities of arriving at the population of 18 year olds internationally, a readily available stratification for 18 – 44 year olds was used. The percentages applied to this base were reduced significantly from those used to arrive at potential students for California and for the US due to the larger potential market base and barriers to entry that are assumed to exist in less developed areas of the world.
4. The analyses assume that the Medialinx start up phase has been completed and that a ramp up in terms of number of students, number of courses offered, number of advertisers and sponsors has been achieved.

Definition of line items

1. Potential market each year is based on the approximate number of 18 year olds in the population, adjusted by the number who do not graduate college multiplied by the percentage noted for the particular column.

2. Remainder of college age population includes 19 – 21 years of age inclusive. It is assumed that the total population of 19 – 21 year olds is comparable to the population of 18 year olds. Therefore, the remainder of college age population was calculated as three times the number of 18 year olds. These demographic groups are considered to be a prime target market for Medialinx.
3. Others from the workforce attempts to take into account people older than those of traditional college age, i.e. > 21 years of age, who are in the work force and either want to complete college or take additional courses for professional and career purposes.
4. Annual potential candidates is the sum of the 18 year olds, 19 – 21 year olds and those > 21 years of age who are in the work force.
5. Class hours per week of 3.5 represents the simple arithmetic average of 3 credit (3 hour) and 4 credit (4 hour) courses. It is assumed that the number of courses offered and taken by students will result in this average.
6. Weeks per semester is a standard 16. For those university systems that are on the quarter system, the same end results would be achieved merely by converting the semester hours to quarters. The total number of classroom hours remains the same.
7. Total class hours per semester represents the number of potential candidates multiplied by the number of hours per week and the number of weeks per semester.
8. Number of commercials per classroom hour is 8, comprised of four commercial spots at the beginning of the class and four at the end.
9. Number of impressions created is based on the number of commercials per hour multiplied by the number of class hours per semester.
10. The value of impressions is based on a rate of \$10 per thousand, a rate provided to Medialinx by a New York advertising executive well versed in this market.
11. Various permutations of the value of impressions were calculated assuming combinations of 1 or 2 classes per semester and 1, 2 or 3 semesters per year. Additional permutations assume that those in the “college age” group of 18 – 21 years of age may take a full time slate of 4 classes each. This calculation is not included in the international analysis.
12. Sponsorship opportunities in addition to advertising, assume 200 courses for 3 semesters at rates per course of \$100,000, \$75,000 and \$50,000 for International, United States and California, respectively. Rates have been supplied to Medialinx by a New York advertising executive well versed in this market. These values are not dependent in this analysis on the number of students enrolled in each class, although a minimum number would most likely be required in order to gain sponsorship revenue.

Medialinx Education Revenue Per Class

This schedule presents sample calculations of revenue per class based on the number of class hours per week and the number of students per class. Calculations were performed for both 4 commercials per hour of class and 8 commercials per hour of class.

It is important to note that these schedules are for illustrative purposes only and that actual results may vary depending on a number of factors that are in place at the date that Medialinx receives its initial funding.

It is also important to note that these schedules are illustrative revenue projections and that they are not pro forma financial results. In order to prepare pro forma financial statements considerably more detail would be required in order to determine the level of overhead expenses and capital expenditures in order to achieve both the revenue projections at various levels and the resulting pro forma net income.